

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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GAIN Report Number:

Argentina

Oilseeds and Products Update

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Report Highlights:

For 2017/18, drought impacts continue to impact oilseed commodities. Post lowers soybean production to 36 million tons following further assessment of the drought damage and sunflowerseed production down to 3.50 million tons. 2017/18 peanut production is also revised down to 792,000 tons, the lowest peanut crop in the last 10 years, due to drought.

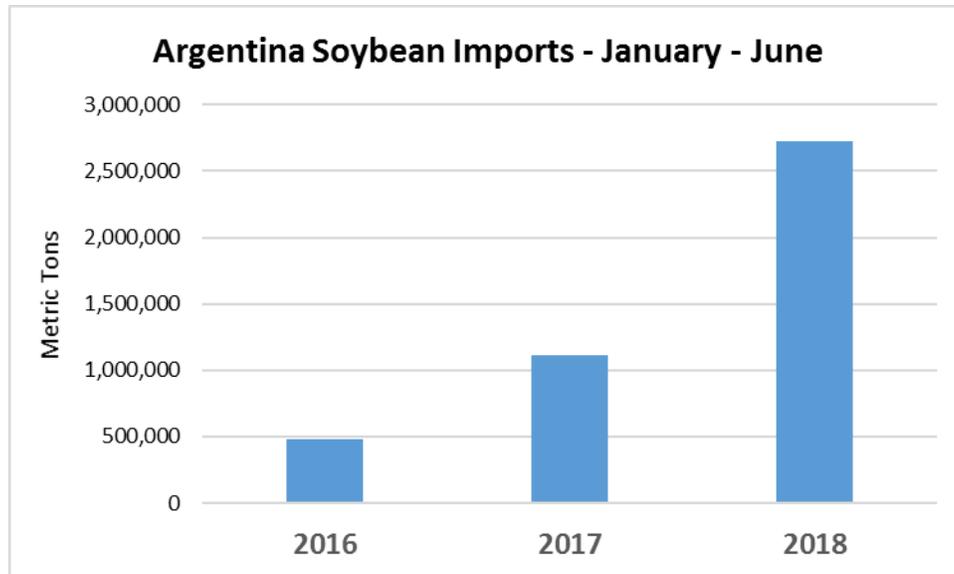
Soybeans:

Oilseed, Soybean (Local) Market Begin Year	2016/2017		2017/2018		2018/2019	
	Apr 2017		Apr 2018		Apr 2019	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	19200	19200	18700	18500	18700	19000
Area Harvested	18350	18500	16800	17000	18700	19000
Beginning Stocks	12367	12367	19982	19157	11372	9057
Production	57800	57500	37000	36000	56000	57500
MY Imports	2000	2565	3100	4500	1850	2000
Total Supply	72167	72432	60082	59657	69222	68557
MY Exports	7250	7246	3150	3000	8000	7300
Crush	41000	41029	40850	42000	45000	43000
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	4600	5000	4710	5100	5000	5250
Total Dom. Cons.	45600	46029	45560	47600	50000	48250
Ending Stocks	19317	19157	11372	9057	11222	13007
Total Distribution	72167	72432	60082	59657	69222	68557
(1000 HA) ,(1000 MT) ,(MT/HA)						

2017/2018

As of late June, Argentina's soybean harvest was nearly completed except for some southern parts of Buenos Aires province. Feedback from the harvest progress over the last two months reflected more serious drought damage than initially expected with a national average yield falling 22 percent to 2.12 tons per hectare. Only areas in north Buenos Aires, south Santa Fe, and east Cordoba provinces (also known as the *zona nucleo*) withstood the drought impacts to deliver yields at historical average levels of 2.7 tons per hectare or slightly above. Based on these developments, Post revises production down 3 million tons from its April estimate to 36 million tons. Overall, the drought led to a 37 percent reduction in production from Post's original estimate of 57 million tons.

Argentina is the world's third largest soybean producer and the top soybean oil and meal exporter driven by a crush capacity estimated at 67 million tons. In January 2016, the Macri Administration lifted the ban on soybean imports to promote greater crush at a time when the processing sector had an under capacity of 30 percent. As a result, over the past two years, Argentina imported Paraguayan soybeans (which generally have higher protein content) to support crush levels and elevate the protein level of soybean meal. Soybean imports for January-June 2018 were 2.72 million tons, more than double last year's imports for the same period.



This year's lower domestic supplies led Argentina to seek out supplies from other suppliers, specifically Brazil and the United States. In April 2018, U.S. private exporters reported to USDA contracts for shipments totaling 490,000 tons of soybeans to Argentina for delivery in the 2017/18 and 2018/19 marketing years with import sales possible in the near future of up to 1 million tons, depending on market conditions. According to a local report, as of early August 2018, 29,310 tons of U.S. soybeans have been imported into Argentina thus far.¹ Local brokers estimate that total soybean imports in MY 2017/18 could reach up to 5.5 million tons. Based on the latest import data, it appears evident that imports will continue to grow rapidly for the remainder of the year. As such, Post revises its import estimate up to 4.5 million tons for 2017/18. Post will continue to monitor this fluid situation closely.

2017/18 exports are revised down to 3 million tons because of lower exportable supplies. As such, ending stocks are revised down to 9.06 million tons for 2017/18.

Sunflowerseed:

¹ <https://news.agrofy.com.ar/noticia/176706/importaciones-soja-crecieron-265-durante-primer-semestre>

Oilseed, Sunflowerseed Market Begin Year	2016/2017		2017/2018		2018/2019	
	Mar 2017		Mar 2018		Mar 2019	
Argentina	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	1820	1700	1670	1730	1750	1750
Area Harvested	1820	1630	1670	1700	1750	1750
Beginning Stocks	896	596	1241	742	1106	547
Production	3550	3350	3500	3500	3500	3470
MY Imports	0	0	0	0	0	0
Total Supply	4446	3946	4741	4292	4606	4017
MY Exports	75	75	75	80	75	80
Crush	3069	3069	3500	3600	3500	3450
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	61	60	60	65	56	65
Total Dom. Cons.	3130	3129	3560	3665	3556	3515
Ending Stocks	1241	742	1106	547	975	422
Total Distribution	4446	3946	4741	4292	4606	4017
Yield (1000 HA) ,(1000 MT) ,(MT/HA)	1.95	2.06	2.1	2	2	1.98

Sunflower plantings for 2018/2019 is expected to begin in late August and September. Based on present expectations, sunflower area is expected to grow steadily to 1.75 million hectares unless the spread of downy mildew disease negatively affects the upcoming crop, especially in the areas of Buenos Aires and La Pampa. The Argentine Sunflower Association is working with producers to minimize the spread through better soil and plant management practices. Sources indicate that the northern part of Argentina, especially north Santa Fe province and the NEA region (Chaco, Formosa, and east Santiago del Estero provinces), hold strong potential for area growth due to the crop's growing profitability, easy adaptability to the region, and improved hybrids. This region currently represents 35 percent of the sunflower crop area.

Post revises 2017/18 production down to 3.50 million tons based on updated production information.

Peanut:

Oilseed, Peanut Market Begin Year Argentina	2016/2017		2017/2018		2018/2019	
	Mar 2017		Mar 2018		Mar 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	325	357	360	360	330	360
Area Harvested	324	324	360	360	330	360
Beginning Stocks	266	266	447	435	238	157
Production	1288	1288	880	792	1070	1300
MY Imports	0	0	0	0	0	0
Total Supply	1554	1554	1327	1227	1308	1457
MY Exports	741	741	740	710	740	780
Crush	293	293	275	270	265	295
Food Use Dom. Cons.	53	58	54	61	54	65
Feed Waste Dom. Cons.	20	27	20	29	20	36
Total Dom. Cons.	366	378	349	360	339	396
Ending Stocks	447	435	238	157	229	281
Total Distribution	1,554	1554	1,327	1227	1,308	1457
Yield	3.98	3.98	2.44	2.2	3.24	3.61
(1000 HA) ,(1000 MT) ,(MT/HA)						

This year's drought resulted in the lowest peanut crop in the last ten years at 792,000 tons. This estimate represents an almost 40 percent reduction in peanut production in comparison to Post's initial estimate at the beginning of the season last year.

Peanut production is concentrated in four provinces: Córdoba (90%), San Luis (6%), La Pampa (3%) and Buenos Aires (1%). Overall, average yields fell by 45 percent to 2.2 tons per hectare. Positive yields in the provinces of San Luis, La Pampa, and Buenos Aires averaging 2.7 tons per hectare could not overcome the lower yields in Cordoba province for an overall production loss. Rains at the beginning of May complicated harvest. Producers also found that the season's volatile weather also led to the presence of certain diseases in select lots, specifically *Thecaphora frezii*) and aflatoxinas (*Aspergillus flavus*, *A. parasiticus*, and *A. nonius*).²

² http://www.bccba.com.ar/images_db/noticias_archivos/4130-Descargar%20Informe%20.pdf#viewer.action=download